

Raleigh, Durham, Chapel Hill, NC

U.S. Construction Market | Market Snapshot Q2 - 2022

Raleigh has an unemployment rate of 4.3%, which is lower than the US average of 6.0%. Raleigh has seen the job market increase by 3.0% over the last year. Last fall, North Carolina ranked as the top state in the nation for business. Several recent projects would help the state grow in 2022 and beyond. Many of these are related to manufacturing and technology – and include factories for electric vehicle batteries, supersonic business jets, and cameras and optical equipment. The Research Triangle has long been a hub for science and technology (hence the nickname), and stands to benefit from increasing costs on the West Coast and renewed interest in domestic manufacturing.

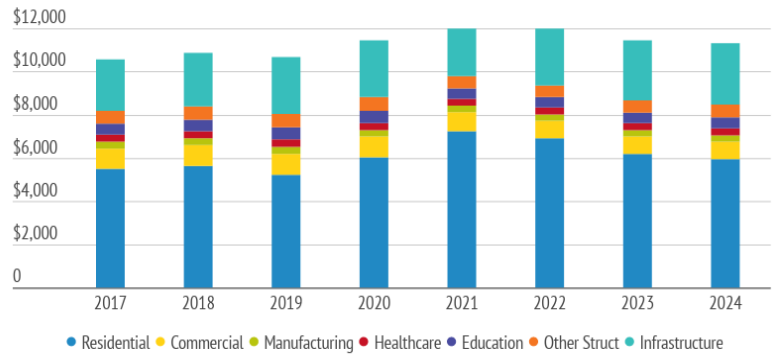
The Research Triangle area was not hit as hard by the pandemic as many other cities in the Southeast. The market has averaged about 6% growth over the last two years, although 2022 is expected to be the end. The market should drop by about 8% this year, mainly due to the residential sector. Projects that began during the pandemic are set to wrap up this year, and concerns about inflation and eased restrictions mean that there are fewer newer projects to replace them. Our research predicts that the Research Triangle will remain steady, however, through 2024.

Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

Sector	HISTORIC								
	2017	2018	2019	2020	2021	2022	2023	2024	
Total Increase	Y-O-Y %	2.8%	-1.8%	7.2%	7.5%	-1.9%	-5.2%	-1.2%	
Residential	Y-O-Y %	2.5%	-7.5%	15.5%	20.2%	-4.5%	-10.5%	-3.7%	
Commercial	Y-O-Y %	3.5%	2.1%	-1.7%	-9.9%	-6.8%	-1.1%	-1.3%	
Manufacturing	Y-O-Y %	-2.4%	7.1%	-10.9%	3.2%	-0.8%	-1.0%	1.0%	
Healthcare	Y-O-Y %	-0.1%	4.1%	2.2%	-2.0%	-2.5%	-1.9%	2.1%	
Education	Y-O-Y %	3.4%	5.9%	-3.8%	-13.9%	-1.5%	3.6%	2.6%	
Other Struct*	Y-O-Y %	2.5%	1.3%	6.6%	-12.3%	-4.5%	5.3%	5.0%	
Infrastructure	Y-O-Y %	4.0%	5.5%	-0.4%	-4.2%	7.9%	2.6%	1.9%	

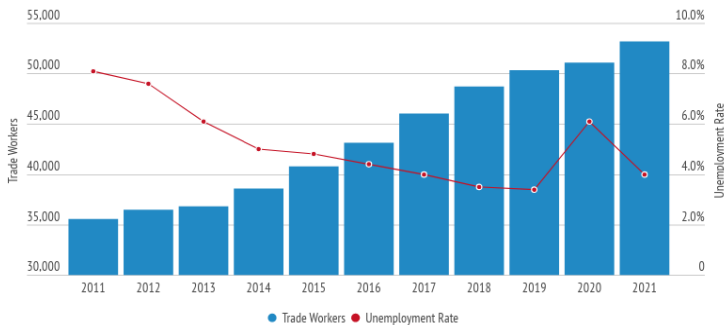
* This includes religious buildings, amusement, government communications, and public recreation projects.

Annual Volume (x\$1M, 2012\$)



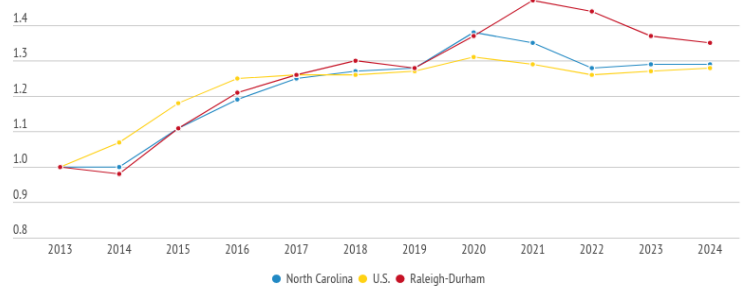
SOURCE: IHS-Markit

Regional Construction Employment



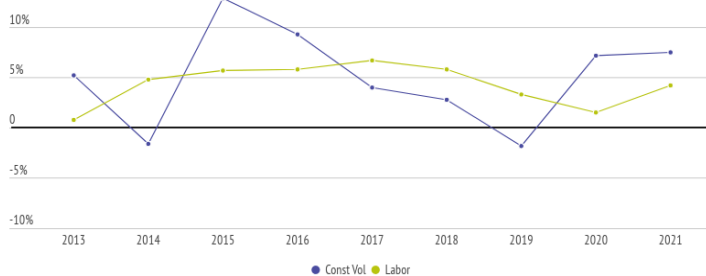
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2013-2023 (2013=1.0)



SOURCE: IHS-Markit

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project	Location	Value
LYNX Silver Line Rail Trail	Charlotte	\$8.0B
VinFast Electric Vehicle Manufacturing Facility - Triangle Innovation Point East	Moncure	\$4.0B
River District	Charlotte	\$3.0B
Downtown South and MLS Stadium Complex	Raleigh	\$2.2B
GateWay 85 Industrial Development	Gastonia	\$1.9B
Allen Middle School - 2022 Bond - Guilford County Schools	Greensboro	\$1.7B
Southern High School - 2022 Bond - Guilford County Schools	Greensboro	\$1.7B
Project Galaxy - Remaining Phases	Holly Springs	\$1.5B
Toyota Battery Plant at Greensboro Randolph Megasite - Phase 1	Liberty	\$1.3B
Eli Lilly at The Grounds At Concord	Concord	\$1.0B

SOURCE: ReedConnect